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Report of the Economic and Social Council Ad Hoc Advisory Group on Haiti**

Summary

The present report contains the findings of the Ad Hoc Advisory Group on Haiti based on its meetings with Haitian and international counterparts and, above all, its mission to Haiti in April 2007. It highlights key features of the economic and social situation in the country, marked by some progress and several persistently negative indicators, and elaborates on the need for capacity-building to respond to the structural institutional weaknesses of Haitian society. The report also analyses key issues related to development planning and aid coordination in Haiti, an overall *problématique* crucial in a country highly dependent on international assistance. On those various themes, the report concludes with recommendations addressed to the Haitian authorities and to the international community with a view to enhance the impact of development work in the country, given the need for coherence and sustainability in international support outlined by the Economic and Social Council in its resolutions on Haiti.

* E/2007/100 and Corr.1.

** The present report is submitted late in order to provide information on the mission of the Ad Hoc Advisory Group to Haiti in the second half of April 2007.

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I. Introduction

1. The present report is the third presented to the Economic and Social Council since the Ad Hoc Advisory Group was reactivated in 2004. At that time, following a request made by the Government of Haiti, the Council decided in its resolution 2004/52 to reactivate the Ad Hoc Advisory Group on Haiti that was established in 1999 to help coordinate the development of a long-term programme of assistance to the country. Pursuant to Council decision 2004/322, the Group is composed of the Permanent Representatives of Benin, Brazil, Canada, Chile, Haiti, Spain and Trinidad and Tobago to the United Nations. The President of the Economic and Social Council and the Special Representative of the Secretary-General in Haiti are also invited to take part in its meetings. Since its first meeting, on 23 November 2004, the Group has been chaired by the Permanent Representative of Canada to the United Nations.

2. In its resolution 2006/10, the Council decided to extend the mandate of the Ad Hoc Advisory Group until its substantive session of 2007, with the purpose of following closely and providing advice on Haiti's long-term development strategy to promote socio-economic recovery and stability, with particular attention given to the need to ensure coherence and sustainability in international support for Haiti, based on long-term national development priorities, building upon the Interim Cooperation Framework and the forthcoming poverty reduction strategy and stressing the need to avoid overlap and duplication with respect to existing mechanisms. The Council requested the Group to submit a report on its work, with recommendations, as appropriate, at its substantive session of 2007.

3. It is recalled that in its report to the Council at its substantive session of 2005 (E/2005/66), the Ad Hoc Advisory Group presented an analysis of the status of the Millennium Development Goals in Haiti and of international support for the country and singled out priority areas for action as well as long-term development implications. The analysis was the result of a series of meetings of the Group with major development partners of Haiti and of a mission to Haiti carried out at the same time as the Security Council mission, in April 2005. In 2006, the Council report (E/2006/69) provided an update on the economic and social development in the country and the key challenges for the new Government, which had just emerged from the electoral process.

4. The present report is to be read in conjunction with those two previous documents, as the Group has since then assessed the follow-up provided to its previous recommendations on key development priorities and on the partnership that needs to be enhanced between the newly elected authorities of Haiti and the development partners. Those issues were central to the mission that the Group carried out in Haiti from 18 to 21 April 2007, during which it met with a wide range of Haitian and international counterparts, and to its previous meeting in New York with Jean-Max Bellerive, Minister for Planning and External Cooperation of Haiti. The Group takes this opportunity to express its gratitude to the Department of Economic and Social Affairs, the United Nations Stabilization Mission in Haiti (MINUSTAH) and the United Nations country team for organizing its mission to Haiti and facilitating its meetings with officials, representatives of civil society and the diplomatic and donor community, both in Port-au-Prince and outside the capital.

5. Upon its return to New York, the Group held a debriefing with Rebecca Grynspan, Associate Administrator and Regional Director of the United Nations Development Programme (UNDP) for Latin America and the Caribbean, and David Harland, Director of the Best Practices Section of the Department for Peacekeeping Operations, whom the Group also wishes to thank.

6. The very rich and intense programme of the Group in Haiti is attached (see annex I), containing a comprehensive description of the Group's interaction with relevant stakeholders. It is noteworthy that during its visit, the Group met with a delegation of the Committee on the Elimination of Discrimination against Women, in the country to assess and plan for support for the elaboration of a report by Haiti on the implementation of the Convention on the Elimination of All Forms of Discrimination against Women. While bringing rich information to the attention of the Group on the status of women in Haiti, the meeting ensured institutional coherence in the work of the United Nations and in the messages sent to local actors, a practice that should be made as common as possible within the Organization.

7. While building on its activities over the last three years, the present report is largely based on the Group's findings during the April 2007 visit. Rather than attempting to be exhaustive on the whole *problématique* of Haiti's development, it focuses on a select number of challenges identified by the Group as key to progress and to the quality of the country's relationships with international development partners.

II. Economic and social development of Haiti: status and prospects

8. The socio-economic situation in Haiti remains of concern to the Ad Hoc Advisory Group. The decline of various basic indicators such as the per capita gross national product and the maternal mortality ratio reveals the persistence of structural problems that hamper the development of the country. However, some progress has also been made since 2004, and the Group is of the view that prospects for long-term development depend on investments in key sectors, which will act as engines of growth and enable the translation of the Government's vision for the country's development into concrete dividends for the population.

A. Macroeconomic performance

9. Haiti has emerged from a period of negative real growth of its gross domestic product (GDP) that was also marked by high inflation and a large fiscal deficit. The Group is pleased to note the positive and sustained progress made in this field since the transitional Government of 2004, leading to an increased growth rate of 2.5 per cent expected for fiscal year 2006 and a decrease in the inflation rate from 38 per cent in 2003 to 8.6 per cent in February 2007. The overall deficit of the central Government was also considerably reduced and is expected to average 2 per cent of GDP. Those positive figures are the result of important reform efforts carried out in the field of economic governance: improved budget and public procurement procedures, creation of anti-corruption mechanisms within the ministries, increased transparency and efficiency in the management of public enterprises. They testify to

the capacity of political authorities and the civil service to set and follow a sound economic policy leading to improved macroeconomic stability, a prerequisite for further development progress.

10. Haiti has started to realize the dividends of those efforts, which were acknowledged by most donors at the International Conference for the Economic and Social Development of Haiti, held in Madrid in November 2006. At the same time, the World Bank and the International Monetary Fund determined that Haiti qualified for multilateral debt relief under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative by reaching the decision point under the Initiative, leading to interim debt relief from certain creditors and opening the door for full relief if a further set of reforms is implemented. In March 2007, the Inter-American Development Bank, Haiti's main creditor, with a third of its external debt, has announced debt cancellation for Haiti, including short-term relief and possible full cancellation in the medium term.

11. Despite this situation, it should be borne in mind that Haiti's economic governance structures are extremely limited, as is its budget, which the World Bank has compared to the operating budget of a medium-sized university. Because the Government has spent less than it might have done during the past year, the obligation to maintain budgetary discipline and the potential lack of flexibility in management of the State's finances, together with the weakness of administrative bodies, may seriously complicate governmental action. Care must also be taken to ensure that the Government's regulatory activities are not further marginalized in an economy where the dollar is already gaining in use and where, according to a report of the Inter-American Development Bank (IDB), Haitian emigrants sent 1.65 billion dollars in remittances in 2006, more than three times the amount spent by the Haitian Government during that same year.

B. Persistence of negative social indicators

12. Social indicators for Haiti remain persistently low or in decline. A particularly worrying sector is health. It is estimated that only half the population has access to health services. Haiti has the highest rates of under-five mortality (120 per 1,000 in 2005) and maternal mortality (523 for 100,000 in 1999/2000) in the Western Hemisphere. Life expectancy is 52 years on average, 53 for women and 51 for men. It is noticeable that the difference between men and women tends to decrease at younger ages, which testifies to an increased vulnerability of women. During the Group's discussions with the Committee on the Elimination of Discrimination against Women delegation, a concern was raised regarding the suspension of the training of midwives (*matrones*) by the Ministry of Health, leading to a decrease in the availability of the health care given to pregnant women, especially in rural areas where no prenatal clinics exist.

13. Poverty remains endemic. The GDP per capita is US$ 450 and 78 per cent of the population lives below the US$ 2 per day poverty line, with 54 per cent in extreme poverty (less than US$ 1 per day). As previously stated in the Group's reports, Haiti is not in a position to reach any of the Millennium Development Goals by 2015, including the first, related to the eradication of extreme poverty and hunger. The poverty trap that the Group described in 2005 is still in place (see E/2005/66, para. 18), and huge inequalities persist. As a result of the continued rural

exodus, 40 per cent of the population is now urban. From 2005 to 2006, Haiti fell by one place on the United Nations Development Programme (UNDP) Human Development Index, where it ranks 154 out of 177 countries.

14. During its 2007 visit, the Group witnessed the extent of both urban and rural poverty: the district of Cité Soleil, in Port-au-Prince, and the city of Ouanaminthe, located in the North-East Department, a mostly rural area on the border with the Dominican Republic. The Group was the first diplomatic mission to visit Cité Soleil, a shanty town of over 250,000 inhabitants living in extreme poverty, since the Haitian National Police and MINUSTAH regained control over the area from the gang leaders that had dominated the community for several years. The disarmament, demobilization and reintegration programme put in place by the Government of Haiti, MINUSTAH and UNDP also has started to bear fruit. The prospects for improving the living conditions of the population in that area are real, thanks to restored stability and the possibility of international organizations resuming assistance programmes. In Ouanaminthe, the Group visited the "bi-national" market with the Dominican Republic, where twice a week Haitian people import large amounts of agricultural and other products and retail them. The visit demonstrated to the Group another aspect of the weakness of the Haitian rural economy, as the whole North-East Department becomes increasingly dependent on the Dominican economy and local food production is threatened. In addition, the bridge between Ouanaminthe and Dajabón, over which most trade passes, needs urgent repair and strengthening. On 8 May 2007, after the Group's visit, the bridge was further damaged by a tornado and closed.

15. In addition to the difficulties previously identified by the Group, some continuing socio-economic trends in Haiti will have long-term consequences for the capacity of the country to emerge from widespread poverty, in particular:

(a) The continued increase in Haiti's population, which is expected to reach 12 million by 2030 (8.5 million today) with a high urbanization rate;

(b) The living conditions of children and youth: 50 per cent of the population is younger than 20 according to the 2006 national census, the number of children having completed primary school had fallen to 35.5 per cent in 2002 and the youth unemployment rate is 47 per cent, the highest in Latin America and the Caribbean;

(c) The feminization of poverty, marked by unemployment and involvement in precarious activities in the informal sector, and the negative impact it has on the development prospects of households, often headed by women;

(d) The increase in violence and organized crime;

(e) Continued environmental degradation, with a 97 per cent deforestation rate and increased vulnerability to natural disasters.

C. Prospects for long-term development: the engines of growth

16. Given a context marked by both improved macroeconomic performance and structural socio-economic weaknesses, it is of the utmost importance to define sectors that will allow for economic growth, job creation and some dividends of political stability to reach the people of Haiti. Following discussions with various actors, the Ad Hoc Advisory Group identified three sectors with just that potential,

which the Government is willing to promote: tourism, agriculture, including biofuels, and the textile/assembly industry.

17. The geographic situation of Haiti makes it a natural destination for large-scale tourism, a sector that declined over the years with repeated political turmoil and the consequent degradation of tourism infrastructure. During its meeting with the Group, the Ministry of Tourism stressed that the country's tourism strategy should consist of promoting not only Haiti as such, since it still has a reputation of instability, but tourist destinations or locations that the major operators can promote on the basis of their historical value or natural setting, usually as an extension of trips to the Dominican Republic or Jamaica or as part of cruises that call on several ports in the Caribbean. A list of bankable tourism products is being prepared. Investment in this sector has many benefits, including for transport infrastructures, construction (the country has only 800 hotel rooms of an international standard), agriculture (purchase of local products to feed tourists), environmental planning and management, and promotion of the cultural heritage.

18. Because Haiti is primarily an agricultural country, promotion of this sector is a necessary stage of its development. As mentioned above, the Group has noted the vulnerability of Haitian rural society in Ouanaminthe, where Dominican production, which is clearly more competitive, poses a serious threat to Haitian farming. In that regard, as Prime Minister Alexis has said, a set of measures must be put in place in order to modernize and transform the largely subsistence-based agricultural sector into one based on commercial agriculture through an integrated rural development approach. This long-standing problem is currently magnified by Haiti's biofuel potential. The Ministry of Foreign Affairs has drawn attention to the existing ties with several countries in the region with a view to Haiti's incorporation into the production process for these alternative energy sources.

19. Haiti has development potential in the industrial sector because of the low cost of manpower and the potential to generate many jobs. The Group observed this during its visit to the Ouanaminthe free-trade zone in the north-eastern part of the country, where an industrial development company specializing in textiles operates two factories that produce jeans and T-shirt, on property rented from the Haitian Government. Nearly 2,000 employees, most of them Haitian, work there under Dominican supervisors; additional production units are planned. While employee working conditions and wages merit careful monitoring by agencies outside the company, growth in this area of activity is desirable because it provides the primary alternative of any size to agricultural activity in the region and pays its employees, both men and women, low but regular wages. It is to be hoped that the December 2006 decision by the Congress of the United States of America to grant preferential treatment to Haitian products in some sectors under the Haitian Hemispheric Opportunity through Partnership Encouragement (HOPE) Act will allow more businesses of this kind to open in Haiti.

20. In a study carried out by the Economic Commission for Latin American and the Caribbean (ECLAC) (LC/MEX/L.683), Mr. Gert Rosenthal, former President of the Economic and Social Council, stressed the need to take advantage of other opportunities in the fields of electronics, toys, and call centres linked to francophone markets. He also noted that legalizing the assets and property rights of the former informal sector could increase the productivity of the huge number of microenterprises that exist in Haiti. These and other factors should continue to be

inhabitants) and the territory to be covered. Likewise, tax and custom officers are few in number and vulnerable to both pressure and attack as they carry out their functions. It is, therefore, important to adapt the mandate and focus of the international presence in the country to ensure that support and protection are provided also to those civil servants whose tasks are essential to ensure the sustainability of State institutions and activities such as revenue collection.

25. The strengthening of law enforcement institutions requires concomitantly an improved justice system which, compared to the police force, has not received a similar level of support from the international community. The Government and its development partners today recognize the paramount importance of reforming the justice system and of tackling related problems such as prolonged pretrial detention, insufficient capacity of the penitentiary administration and the independence of the judiciary, which is a precondition for the credibility and authority of magistrates, in the view of the population. The Ministry of Justice has drafted three pieces of legislation on the *Conseil supérieur de la magistrature*, the *École de la magistrature* and the *Garanties statutaires des magistrats*, which would deserve early consideration in order to give a concrete dimension to judicial reform. The latter will need to be completed by a longer-term consultation process on the reform of the Civil and Penal Codes.

26. The Parliament, which was duly elected last year, has a decisive role to play in the processes of institutional reform that require new legislation. However, many interlocutors stressed that parliamentarians were ill-equipped for those tasks and stressed the need for training and capacity-building. That was considered essential for the chambers to be able to carry out the substantive work that the Parliament is expected to perform, in particular the review and assessment of the legislation brought before it by the Government. At the time of the Group's visit, very few pieces of legislation had been passed by Parliament. One illustration of the difficulties faced are the obstacles encountered in engaging work at the inter-ministerial level to promote the status of women, including in the preparation of the national report on the implementation of the Convention on the Elimination of all Forms of Discrimination against Women. Haiti ratified the Convention in 1981, but has never presented a report on its implementation. The laudable efforts carried out by the Ministry of the Status of Women and Women's Rights to promote those issues deserve to be followed-up by a functioning system of gender focal points, within the different Ministries, who would ensure that gender-based discrimination is properly addressed. In the same vein, it is important that the Parliament consider the draft legislation prepared by the Government on key issues affecting the status of women, including the laws on the recognition of informal unions (*plaçage*), the legal recognition of the birth declaration, whether made by the father or the mother, and the social protection of women and girls serving as domestic staff. More broadly, the question of whether the law is in conformity with the Haitian Constitution of 1987 and with international instruments, such as the Convention, should be an important and urgent task for the Government and the Parliament.

27. The Group therefore supports the idea of the Parliament receiving appropriate support from development partners, including, for example, through the strengthening of a "parliamentary unit" within MINUSTAH.

B. Consequences for aid management and delivery

28. Since 2004, international development partners have resumed a strong involvement in Haiti, aware of the fact that political stability and development are interconnected and that the situation in the country will remain fragile as long as basic socio-economic development concerns are not properly addressed. The capacity of State institutions to absorb development assistance is therefore crucial to the impact of all international efforts on both the security and development fronts. It is also a prerequisite for Haiti to move forward independently and on a long-term path.

29. Given the limited absorptive capacity of the Haitian State, it is important to define immediate, short-, medium- and long-term action and to start with easily achievable goals. Proper sequencing of activities is needed to adapt support programmes to the actual absorbing capacities of institutions. The quick-impact projects carried out by MINUSTAH are a good example of immediate support, often benefiting the municipalities. Supporting the reform of the civil service through improved and harmonized recruitment, training and career management is a short- and medium-term investment in the functioning of ministries, which should improve absorptive capacities. Enhancing support and training not only for the Haitian National Police but also law enforcement officials, such as coastguards and customs officers, is important in order to fight drug trafficking and organized crime. Along those lines, the concept of an "evolving MINUSTAH", increasingly focused on strengthening institutional capacities, was presented to the Group.

30. One of the most visible consequences of the weaknesses of State institutions is the large number of non-governmental organizations active in Haiti. Many are supported by private donations while others receive funding from bilateral and multilateral donors to execute assistance projects. The Group was informed that non-governmental organizations implement around 70 per cent of development assistance channelled to Haiti. Donors and international organizations explained that they were faced with a dilemma: on the one hand, the pressure to obtain quick development impact and to intervene through flexible and well-functioning non-governmental organizations and, on the other, the need to strengthen the institutional capacities of the Haitian State and enable it to deliver services to its population. As a result, there is a certain competition for resources between the Government and non-governmental organizations. The Government, while recognizing the role played by non-Haitian non-governmental organizations, expressed concern that it had no overview of their number, the nature and scope of their activities and whether those activities were aligned with Haitian sectoral priorities. Similar concerns are shared by the United Nations country team, given their need for coordination with other organizations in the field. Those concerns are also underscored by the fact that some non-governmental organizations have a bigger budget for Haiti than some United Nations entities. The donor community could assist the Government in the coordination of information about non-governmental organizations activities in Haiti.

31. Given the limited redistributive functions of the State, the Haitian diaspora plays an important role in sustaining the livelihoods of many people. Its remittances are mostly used to satisfy immediate needs rather than to invest in development projects. However, they could be used for economic activities if the conditions were met for secured investments. The Haitian diaspora is also rich in talented and

competent people. It is estimated that 80 per cent of Haitians with a higher education live abroad. As a result, some sectors lack trained personnel. For example, the Group was informed of the severe lack of veterinary surgeons, which hinders the efforts of the Ministry of Agriculture and of international organizations working in the field of animal health. In that context, the Group was concerned by a decision taken by the Parliament at the time of the Group's visit, to refuse a programme of loans by the Inter-American Development Bank aimed at funding the recruitment of experts from the Haitian diaspora in the Ministries, as a way to strengthen their capacities. It is hoped that an improved dialogue between the Haitian institutions and their development partners will allow for constructive decisions and the smooth implementation of support programmes.

32. Continuing to invest in the capacity-building of Haitian institutions is essential and that is true of the three branches (executive, legislative and judicial) and of the various levels of Government (central, deconcentrated and decentralized). The self-regulatory capacity of Haitian society, strong as it may be, cannot ensure the leap that Haiti needs to make in order to trigger investments and engage seriously in poverty reduction and sustainable development. A risk that the weakness of State institutions entails is a recurrence of the "donor fatigue" that Haiti has experienced in the past. Taking into account progress made in some fields, development partners should continue to be mobilized and build on those gains to expand support to other fields. To that end, the tools for such a process, namely, development planning and coordination mechanisms, need to be improved.

IV. Development planning mechanisms and aid coordination

33. Haiti is at a critical juncture in its relationships with development partners. The Interim Cooperation Framework, established to ensure coherence and efficiency in the assistance provided to the Transitional Government, has been extended until September 2007. New initiatives have to be taken to support the democratically elected authorities in a coordinated way in order to maximize the effectiveness of aid provided to the country.

A. Transition from the Interim Cooperation Framework to the National Growth and Poverty Reduction Strategy process

34. The Interim Cooperation Framework has been a short-term tool that ensured some coordination among donor countries and institutions at a time when development support increased very rapidly. However, as the Minister for Planning told the Group, the Government of Haiti has been "cramped" (*à l'étroit*) in the process partly because of a lack of vision for the development of the country during the transitional period. While some of the sectoral units put in place in the ministries to ensure coherent support in specific fields led to satisfactory results, the current Government has not continued to play a central role in coordinating international support within the Interim Cooperation Framework. As a result, there is a general picture of who does what and of the overall financial envelopes spent, but no clear record of activities or projects supported by development partners, much less a tracking system of disbursements. The most recent information on disbursements of

the Interim Cooperation Framework projects, by donor and by field, dated 30 September 2006, is attached as annex II.

35. In September 2006, the Government completed preparation of the interim Poverty Reduction Strategy Paper. This strategy envisages activities that can be financed and implemented in the short term in order to coordinate with the Interim Cooperation Framework introduced by President Préval at the beginning of his mandate, without encroaching on the final Poverty Reduction Strategy Paper exercise. It identifies priorities for intervention in order to promote pro-poor growth (in the economic, governance and social services sectors) and includes a strategy and a time schedule for preparing the Poverty Reduction Strategy Paper. The Group notes that this work has made it easier for Haiti to obtain partial debt relief measures from the international financial institutions and recognition that the decision point under the HIPC Initiative had been reached.

36. In March 2007, as the next stage in this process, the Haitian authorities established a committee responsible for preparing the National Growth and Poverty Reduction Strategy, which will constitute Haiti's Poverty Reduction Strategy Paper. The Group met in Port-au-Prince with the director of the technical secretariat of this committee, which is composed of representatives of six ministries (Planning, the Economy, Social Affairs, Youth and Sports, and the Status of Women) and five representatives of civil society (including the Chamber of Commerce, the trade unions and the universities). The Committee will endeavour to interact with the departmental and communal authorities in the context of the survey on poverty that it will conduct, and tables showing cooperation between all competent agencies will be prepared; this is an important step that will ensure the participatory nature of the process. The Group also learned that strategic areas for action will be identified according to the country's specific problems, such as border security, maritime policy (hitherto virtually unknown in Haiti) and vulnerability to natural disasters.

37. While this approach appears complete and ambitious, the time schedule for preparation of the Poverty Reduction Strategy Paper is particularly tight; the process is scheduled to end in July 2007. Even if the deadline is pushed back to September 2007, when the Interim Cooperation Framework will end, the Committee will have very little time in which to complete this task, which is demanding in its substance — owing to the breadth of the thematic material to be covered — and its method — which is necessarily open and participatory. National political consensus as the culmination of a consultative process is, in fact, essential in order to ensure that the Poverty Reduction Strategy Paper is functional and feasible. It is therefore unlikely that the National Growth and Poverty Reduction Strategy will influence the 2007-2008 Public Investment Plan, and a gap is foreseen between the end of the Interim Cooperation Framework and the finalization of the Poverty Reduction Strategy Paper. The Group is of the view that the foreseeable gap should not generate a decrease in the support provided to the Government, which largely relies on international support for both its operations (70 per cent) and capital investment (100 per cent).

B. Coherence and coordination of international support

38. International development assistance is crucial for the functioning of the Haitian State and for bringing the dividends of peace that will help the country gain

stability. Over the last months, major donors have announced important contributions to Haiti: the United States announced that a US$ 200 million envelope was available for the 2007 fiscal year, the European Union granted a €233 million for the period 2007-2012 and Canada announced Can$ 520 million during the term of the recently elected Haitian Government. The Government will also obtain increased support from international financial institutions when the National Strategy for Growth and Poverty Reduction is finalized. In that context, ensuring the effectiveness of assistance is particularly important.

39. The capacity of a country to "own" its development strategies very much depends on the existence of a clear vision of its longer-term development. In its first report to the Council (E/2005/66), the Group stated that the lack of such a vision in Haiti raised fundamental questions about the identity and self-projection of the society, that only the Haitians themselves could answer in an appropriate and relevant way. The Group is encouraged to note that such an approach is now being discussed in Haiti. President Préval has repeatedly insisted on the need for a 25-year vision, while the strategic planning unit set up within the Ministry of Planning and External Cooperation is expected to formalize long-term orientations. That being said, it is important to maintain coherence between the various layers of planning (short-, medium- and long-term) with connections among them so that the work carried out at one level feeds and/or inspires the tasks performed at another level.

40. The United Nations system is, all agencies taken together, an important actor and donor in Haiti (for an indication of the funds disbursed by the United Nations system in Haiti, see annex II). The United Nations funds and programmes have important responsibilities in the country. The World Food Programme provides food assistance to 10 per cent of the population, including through a school feeding programme benefiting 300,000 children, with a total budget of the US$ 75.9 million. UNDP manages a US$ 37.4 million budget of support to crucial areas of governance, institution-building and poverty reduction. While the United Nations Children's Fund is very active in the field of health/nutrition, education and protection of children, with a pre-eminent role in the field of vaccination, the United Nations Population Fund (UNFPA) focuses a large part of its activities on improving the status of women and ensuring their participation in the development process. Several specialized agencies have also established an office in the country (Food and Agriculture Organization of the United Nations (FAO), World Health Organization/Pan-American Health Organization, United Nations Educational, Scientific and Cultural Organization). FAO has a particularly strong presence in agriculture and the preservation of ecosystems, with a US$ 26.9 million budget.

41. To maximize the effectiveness of their activities, as an integrated mission, United Nations agencies and MINUSTAH have to work in close collaboration and the Resident Coordinator, who is also the Deputy Special Representative of the Secretary-General, performs valuable functions in that regard. While the institutional framework for such cooperation seems satisfactory, managing organizations with distinct budget, administrative practices and "cultures" remains a difficult task. The work jointly carried out by MINUSTAH and UNDP in the "red zone districts" of Port-au-Prince, and by MINUSTAH and UNFPA on the promotion of gender equality and women's rights, deserve praise. The Group also considers that Haiti is a country where the concept of "One United Nations" should be put in place once the integrated mission comes to an end.

42. The Group noticed a multiplication of parallel initiatives and a lack of a clear understanding of the division of labour and areas of interventions among donors. Several high-level interlocutors stressed that neither the Haitian State nor donors themselves had found a way to ensure well-functioning coordination. The Group is of the view that consideration should be given to the best use that can be made of the Paris Declaration on Aid Effectiveness in the Haitian context. The Paris Declaration is based on the observation that aid is more effective when recipient countries have strong leadership over their development policies. It further advocates strong ownership by those countries. That call is no doubt difficult to realize in the short and medium term in Haiti given the weaknesses of State institutions, as described earlier in the present report, although the Government is increasingly assertive about the leadership role it wants to play in identifying priority actions and engaging the international community accordingly.

43. Specific activities could be carried out to implement the indicators of progress contained in the Declaration, in the context of the targets set for 2010. For example, the Group encourages the Haitian Government and donors to jointly assess mutual progress in implementing commitments on aid effectiveness by making best use of local mechanisms. The United Nations Resident Coordinator in Haiti could assist in such an exercise. Recent initiatives to restructure coordination within the United Nations country team itself should provide the team with an improved analytical and implementation capacity through closer coordination and a broader view of development and humanitarian issues. That is recognition of the fact that "business as usual" can no longer be a rule in Haiti for the United Nations or for the larger international community.

44. In view of the above, it is all the more important that international support in the field of institutional capacity-building be at the same time increased and better coordinated. Hence, there has been a number of recent initiatives to strengthen coordination within the donor community and to ensure multiplication of joint analyses and concerted and coherent follow-up with the Government. Secondly, dialogue and coordination between the international community and the Government is also being reinforced through the setting-up of regular consultations between representatives of the international community and the President, the Prime Minister and the Minister for Planning and External Cooperation. Needless to say, the Group has high expectations for the results of those recent initiatives.

V. Recommendations

45. The Group is encouraged by the evolution of the situation, including in the security sector, in Haiti and calls on all national stakeholders to continue reforms for the long-term development of the country.

46. The Group also calls on international stakeholders to stay the course and to consider increasing their support for Haiti. It welcomes the diversification of partners, including through South-South Cooperation.

47. It is imperative that Haiti remain on the international agenda and that appropriate support be given to the country, in particular by means of a strong United Nations presence on the ground through MINUSTAH. The Group firmly supports further renewals of its mandate for longer periods of time in order to ensure and consolidate stability and security in Haiti.

48. The Group looks forward to working with the Government of Haiti, following closely on its recommendations and providing advice on the development that the country acutely needs to consolidate its stability. In particular, the Group wishes to make the following recommendations addressed to the Haitian authorities, the United Nations system and donors, aimed at improving the economic and social situation in Haiti and the impact of development support.

A. Development planning and aid coordination

Recommendation 1

49. Now that there is a duly elected government, the Group commends the Government of Haiti for its work on the Poverty Reduction Strategy Paper. The Group stresses the importance of drafting a Haitian Poverty Reduction Strategy Paper with clear immediate, short-, medium- and long-term priorities, sequencing activities and results indicators, which should be disaggregated by sex.

Recommendation 2

50. The Group considers that it is essential for the Poverty Reduction Strategy Paper to stem from a participatory process with public consultations with a broad range of national actors including women's associations, entrepreneurs, academics, trade unions, small farmers and other civil society voices, particularly from the regions outside Port-au-Prince. For the Poverty Reduction Strategy Paper to be viable, it must reflect a political and popular consensus within Haiti in order to mobilize all actors of society as well as international stakeholders for its implementation. Moreover, a broad consultative process would contribute to strengthening the leadership of the Government of Haiti and the ownership of the Haitian society.

Recommendation 3

51. The Group observes that successes reached in "red zone districts" have been possible because of a significant change in programme delivery from UNDP and other donors. That flexibility is commended by the Group and sets an example for other donors, United Nations agencies, funds and programmes as to how to reassess their programme delivery in order to make a realistic contribution to the development of Haiti. The Group considers that the worsening of the situation in Haiti for the last decades forces all relevant international stakeholders to reassess deeply their ways of conducting business in Haiti if any progress is to be made.

Recommendation 4

52. The Paris Declaration on Aid Effectiveness created a model for aid effectiveness and partnership that encourages partners such as the Government of Haiti and donors to constitute mechanisms for mutual accountability and compliance in meeting commitments. Under the Interim Cooperation Framework, the sectoral tables served an accountability mechanism. The Group considers that it is urgent to put in place an effective coordination mechanism between donors and the Haitian Government, including a standing consultation mechanism with the non-governmental organizations active in Haiti.

Recommendation 5

53. The Group recognizes that such coordination will be easier once the Poverty Reduction Strategy Paper is completed, because there will be a clearer indication of Haitian priorities. In the meantime, the donors and the Haitian Government must build on the past work of the Interim Cooperation Framework, the main nine priorities as set out by the Haitian Government at the International Conference on the Economic and Social Development of Haiti, held at Port-au-Prince in July 2006, and the strengthening of coordination and management of external support presented by the Government at the follow-up conference, in Madrid in November 2006.

Recommendation 6

54. In addition, the Group notes the urgent need to include a mechanism to track the disbursement of pledged funds. There is also a need to agree on a "common vocabulary" applicable to United Nations agencies, donors and the Bretton Woods institutions and the Haitian Government in order to facilitate international cooperation.

Recommendation 7

55. While capacity development is the responsibility of the Government of Haiti and will need to be integrated into its national development strategies and longer-term vision, the Group encourages donors to align their support with Haiti's objectives and strategies and to harmonize their support for capacity development. The Group also invites donors to consider a gradual transfer of currently allocated funds from non-governmental organizations to the principal Haitian ministries as their capacities increase.

B. Institutional capacity-building

Recommendation 8

56. The Group commends the members of the Government of Haiti for its dedication to the stabilization, democratization and development of the country. The Group stresses the need to further develop parliamentary institutions in Haiti, in order to build the necessary consensus around, inter alia, the various institutional reforms, the National Strategy against Poverty and all its related measures.

Recommendation 9

57. The Group stresses the need to reform the justice sector and other rule-of-law institutions as soon as possible in order to have an environment conducive to the normalization of private investment flows, among other positive effects. Such reform is essential to build the confidence necessary to generate economic growth, social inclusion and equity. The Group urges the Haitian authorities and parliamentarians to adopt the relevant legislation in order to make progress on that issue. It also urges them to ensure that the law is in conformity with the Haitian Constitution of 1987 and with international instruments, including the Convention on the Elimination of All Forms of Discrimination against Women.

Recommendation 10

58. The Group stresses also that the formalization of the Haitian economy implies a serious effort to tackle corruption as an impediment to the strengthening of State institutions and as a necessary condition for the improvement of the delivery of basic services to the population.

Recommendation 11

59. The Group calls on the United Nations and donors to strengthen their support and ensure protection to those civil servants whose tasks are essential to ensure the sustainability of State institutions and activities such as revenue collection in the tax and customs administration.

C. Haitian and international levers for economic and social development

Recommendation 12

60. The Group has witnessed the strength of the informal economy in Haiti. Sustainable economic growth will happen only with a "formalization" of the economy. The Group stresses that the civil registration of Haitians is one of the necessary conditions for significant progress in such a formalization process. That will help Haitians to be prepared for an economy built on, among other things, stable employment, social services and consolidated savings.

Recommendation 13

61. The Group urges the Haitian authorities to integrate the gender dimension in all social and economic development policies in Haiti. The Group commends the Ministry of the Status of Women and Women's Rights for its work and dedication and stresses the need for other ministries to take gender dimensions into account.

Recommendation 14

62. The Group recommends that given its longer-term activities, the United Nations country team dedicate one position to link with the MINUSTAH gender adviser. Whether it is on land ownership issues, health programmes or microcredit, gender considerations significantly help to deliver better assistance to Haitians.

Recommendation 15

63. The Group underlines the potential contribution of the Haitian diaspora to the development of Haiti and the need to examine ways to attract qualified Haitians living outside the country. However, the Group wonders if such suggestions would differ much from what is needed to attract private investors in Haiti, no matter their origin.

Recommendation 16

64. The Group wishes to highlight the success already achieved in Cité Soleil and hopes to see an extension to the entire Haitian territory, as an example of the synergies between the pacification through the restoration of State authority and the

simultaneous implementation of social development projects which consolidate local bodies.

Recommendation 17

65. The Group encourages the Government of Haiti to continue its work in developing business strategies for the tourism, agriculture and assembly industries, the potential engines for growth. At the same time, the Group considers that such strategies as well as other employment-generation initiatives should take into account decent work standards. In that regard, the Group suggests requesting the advice of the International Labour Organization on the situation in Haiti.

Annex I

Programme of the mission of the Economic and Social Council Ad Hoc Advisory Group to Haiti

18-21 April 2007

Wednesday 18 April 2007

12.45 p.m.	Arrival at Toussaint Louverture Airport
1 p.m.	Welcoming meeting with Jean Renald Clérismé, Minister for Foreign Affairs and Jean Max Bellerive, Minister for Planning and External Cooperation — Discussion of the programme (Toussaint Louverture Airport)
	Transfer to Hotel Montana
2.30 p.m.	Presentation of the programme and light lunch (Hotel Montana)
4 p.m.	Meeting with Jean Max Bellerive, Minister for Planning and External Cooperation; the Director General of the Ministry of Foreign Affairs; N. Toussaint, Director of Economic Affairs, Ministry of Foreign Affairs; Paul Émile Simon, Rémi Montas and Gabriel Vérette, members of the Strategic Planning Unit; Hérard Jadotte, Director of the Commission on the elaboration of the National Strategy for Growth and Poverty Reduction; and Randolph Gilbert, Coordinator and Focal Point for Haiti, United Nations Economic Commission for Latin America and the Caribbean. (Ministry of Foreign Affairs)
6.30 p.m.	Meeting with Special Representative of the Secretary-General Mulet, Deputy Special Representative of the Secretary-General da Costa and Deputy Special Representative of the Secretary-General Boutroue. (MINUSTAH Headquarters)
8 p.m.	Dinner with the mission on the implementation of the Convention on the Elimination of All Forms of Discrimination against Women, including Françoise Gaspard, Vice-Chair of the Committee on the Elimination of Discrimination against Women, Regina Tavares da Silva, member of the Committee, and Arlette Gautier, Professor of Sociology. (Hotel Montana)

Thursday 19 April 2007

7.45 a.m.	Visit to Cité Soleil [Meetings with Wilson Louis, mayor of Cité Soleil, and municipal counsellors; Ralph Stanley Jean Brice, Departmental Director, Haitian National Police; Colonel

	Magno Barosso, Commander of the Brazilian battalion, as well as MINUSTAH police and civilian staff]
11.30 a.m.	Meeting with René Garcia Préval, President of the Republic, and Jacques Edouard Alexis, Prime Minister, Daniel Magloire, Minister for Justice, Daniel Dorsainvil, Minister for Economy and Finance, Jean-Max Bellerive, Minister for Planning and External Cooperation, Gérald Germain, Minister for Social Affairs, Patrick Delatour, Minister for Tourism, Maguy Durce, Minister for Commerce and Industry, Daniel Jean, Secretary of State for Justice, Joseph Luc Eucher, Secretary of State for Public Security and Gabriel Verett, Economic Adviser to the President. (National Palace)
1.30 p.m.	Meeting with Daniel Magloire, Minister for Justice, Jean-Max Bellerive, Minister for Planning and External Cooperation, and Patrick Delatour, Minister forTourism. (National Palace)
4 p.m.	Meeting with the United Nations country team [chaired by the Deputy Special Representative of the Secretary-General/United Nations Resident Coordinator; agencies represented: UNDP, UNICEF, UNFPA, WFP, FAO, WHO/PHO, UNESCO, CEPAL] (UNDP conference room)
7 p.m.	Reception offered by MINUSTAH (Residence of the Special Representative of the Secretary-General)

Friday 20 April 2007

8 a.m.	Visit to Ouanaminthe [visit to the "bi-national" market with the Dominican Republic and the international bridge between the two countries; visit to the Free Trade Zone where two textile factories produce clothing for international companies and employ close to 1,900 Haitian workers; meeting with the Mayor of Ounanaminthe]
4 p.m.	Meeting with bilateral and multilateral donors: Francesco Gosetti, European Commission; Edgard Rosemond, Economist, USAID; Rosa Beltrán, General Coordinator, Spanish Agency for International Cooperation; Ronald Cardoso, Counsellor, Embassy of Brazil; Zadalinda Gonzalez, Ambassador of Mexico; Enrique Gómez, *Chef de Chancellerie*, Embassy of Mexico; Claudio di Gregorio, Minister, Chargé d'affaires, Embassy of Argentina; Ugo Fabano, Resident Representative, International Monetary Fund; Mathurin Gbembouo, Resident Representative, World Bank; Anna Cecilia McInnis, Resident Representative, Inter-American Development Bank; Joël Boutroue, Deputy Special Representative of the Secretary-General and United Nations

	Resident Coordinator. (MINUSTAH Headquarters)
6.30 p.m.	Reception offered by the Canadian Embassy in Haiti

Saturday 21 April 2007

8.30 a.m.	Working breakfast on political developments and governance with MINUSTAH and UNDP staff (Hotel Montana)
10 a.m.	Meeting/debriefing with Jean-Max Bellerive, Minister for Planning and External Cooperation (Hotel Montana)
11.30 a.m.	Press conference (Toussaint Louverture Airport)
1.30 p.m.	Departure for New York

Annex II

Status of disbursements as at 30 September 2006

Ministry of Planning and External Cooperation

Support for implementation of the Interim Cooperation Framework

Report on Interim Cooperation Framework disbursements by area and by donor as at 30 September 2006

Area (US$ million)	*Canada*	*European Union*	*France*[a]	*Germany*	*Inter-American Development Bank*	*Japan*	*Spain*	*United Nations agencies*	*United States of America*	*World Bank*	*Grand total*
Area 1											
1.1 Security, police and disarmament, demobilization and reintegration	29 365 619		363 327					4 147 334	52 011 525		85 887 805
1.2 Justice, prisons and human rights	18 834 110	1 040 638	933 577					3 102 790	17 750 000		41 661 114
1.3 Electoral process and national dialogue	32 098 261	40 163 283				1 065 725	518 551	20 970 735	24 400 000		119 216 554
Area 1 total	**80 297 990**	**41 203 921**	**1 296 904**			**1 065 725**	**518 551**	**28 220 859**	**94 161 525**		**246 765 474**
Area 2											
2.1 Economic governance			219 553		50 096 000	0	3 101 082	1 416 398	440 000	62 600 000	117 873 033
2.2 Institutional capacity-building	103 908 418	1 788 465	103 721		0	243 286		2 657 930	22 136 330		130 838 150
2.3 Land-use planning			841 909		22 775 000			3 250 581	2 000 000		28 867 490
2.4 Local development	15 571 623	701 693	352 774	0		87 187			2 000 000		18 713 277
2.5 Decentralization							15 600		2 000 000		2 015 600
Area 2 total	**119 480 042**	**2 490 158**	**1 517 957**	**0**	**72 871 000**	**330 473**	**3 116 682**	**7 324 909**	**28 576 330**	**62 600 000**	**298 307 551**

Area (US$ million)	*Canada*	*European Union*	*France*[a]	*Germany*	*Inter-American Development Bank*	*Japan*	*Spain*	*United Nations agencies*	*United States of America*	*World Bank*	*Grand total*
Area 3											
3.1 Macroeconomic stability									0		0
3.2 Electricity	2 948 482	62 163	2 853 326					0	23 982 000	0	29 845 970
3.3 Quick job creation and microfinance	12 312 176		1 148 187	3 039 000			2 100 000	611 750	74 935 117	1 000 000	95 146 230
3.4 Private sector development/ SME/SMI		345 281	161 075					0	4 200 000		4 706 356
3.5 Agriculture	95 652	33 964 014	3 169 771		14 910 000	436 364	1 238 317	900 000	14 002 521		68 716 640
3.6 Roads and transport		23 182 747			23 380 000			311 208	450 000		47 323 955
3.7 Protection and rehabilitation of the environment	1 252 174		76 299	518 400	451 000		640 500	1 587 021	2 580 000	2 889 000	9 994 394
3.8 Multisectoral										6 025 000	6 025 000
Area 3 total	**16 608 483**	**57 554 205**	**7 408 658**	**3 557 400**	**38 741 000**	**436 364**	**3 978 817**	**3 409 979**	**120 149 638**	**9 914 000**	**261 758 544**
Area 4											
4.1 Emergency humanitarian assistance	7 697 636	12 846 618				611 231	2 882 200	20 350 000			44 387 685
4.10 Multisectoral	7 812 765	0	242 219		8 177 000					855 000	17 086 984
4.2 Water and sanitation		4 214 103	7 341 814		8 278 000		945 000	798 041	500 000		22 076 958
4.3 Health and nutrition	29 091 683	337 191	3 234 571		4 405 000	4 296 571	301 273	30 763 886	129 630 000	2 100 000	204 160 175
4.4 Education, youth and sports	17 802 453	18 586 083	3 529 932		8 435 000	751 015	671 644	22 763 840	9 075 100	1 407 540	83 022 608
4.5 Culture, media and communication			1 211 094					963 123	0	150 000	2 234 217
4.6 Food security						5 454 544	0	6 058 588	63 154 280		74 667 412
4.7 Solid waste management			97 952					0	4 800 000	180 000	5 077 952
4.8 Slum improvement					5 596 000			100 000			5 696 000

Area (US$ million)	*Canada*	*European Union*	*France*[a]	*Germany*	*Inter-American Development Bank*	*Japan*	*Spain*	*United Nations agencies*	*United States of America*	*World Bank*	*Grand total*
4.9 Safety nets and social protection								3 768 596			3 768 596
Area 4 total	**62 404 537**	**35 983 995**	**15 657 582**		**34 891 000**	**11 113 361**	**4 800 117**	**85 566 074**	**207 159 380**	**4 692 540**	**462 268 586**
Area 5											
5.0 Other programmes								885 000			885 000
5.1 Payment of arrears	11 947 070										11 947 070
5.2 Multisectoral	24 341 030										24 341 030
5.3 Basic economic infrastructure								0			0
Technical assistance		0						1 360 000	7 000 000		8 360 000
Foreign aid		9 600 000									9 600 000
Area 5 total	**36 288 100**	**9 600 000**						**2 245 000**	**7 000 000**		**55 133 100**
Grand total	**315 079 152**	**146 832 278**	**25 881 101**	**3 557 400**	**146 503 000**	**12 945 923**	**12 414 167**	**126 766 821**	**457 046 873**	**77 206 540**	**1 324 233 254**

[a] France and the United Nations agencies had not yet submitted their data as at the date of preparation of this report. Their disbursements as at 30 June 2006 have been carried over.

Areas
1. Ensure better political governance and promote national dialogue
2. Economic governance and institutional development
3. Encourage economic recovery
4. Improve access to basic services
5. Other

All amounts provided by donors.